
HOUSE BILL No. 1035

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-4-1.5.

Synopsis: Insurer notice concerning auto body repair parts. Provides that an insurer that: (1) is obligated to pay at least part of the cost of repairing the exterior of a motor vehicle under a policy issued by the insurer; and (2) determines to make the repair with new body parts manufactured by or for the manufacturer of the motor vehicle; is not required to notify the insured in writing of the insured's right to approve the type of body parts to be used in the repair of the insured's motor vehicle.

Effective: July 1, 2008.

Ulmer

January 8, 2008, read first time and referred to Committee on Insurance.

C
o
p
y



Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

HOUSE BILL No. 1035

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-4-1.5-8 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. **(a) This section**
3 **does not apply to an insurer that:**

4 **(1) is obligated to pay at least part of the cost of the repair of**
5 **the exterior of a motor vehicle; and**

6 **(2) has determined that the repair will be made with new body**
7 **parts manufactured by or for the manufacturer of the motor**
8 **vehicle.**

9 ~~(a)~~ **(b)** An insurer that is obligated to pay at least part of the cost of
10 repairing the exterior of a motor vehicle under an insurance policy
11 issued by the insurer may not direct a body shop to repair the motor
12 vehicle until the insurer has presented the insured with a written notice
13 that meets the requirements set forth in subsections ~~(b)~~ and **(c) and (d).**

14 ~~(b)~~ **(c)** An insurer described in subsection ~~(a)~~ **(b)** shall present the
15 insured with a written notice that does the following:

16 **(1) Informs the insured that the insured has a right to approve the**
17 **type of body parts to be used in the repair of the motor vehicle.**



C
o
p
y

(2) Gives the insured an opportunity, in approving the type of body parts to be used in the repair of the motor vehicle, to select from among the following:

(A) New body parts manufactured by or for the manufacturer of the motor vehicle.

(B) New body parts that were not manufactured by or for the manufacturer of the motor vehicle.

(C) Used body parts.

~~(c)~~ **(d)** An insurer described in subsection ~~(a)~~ **(b)** shall give the insured an opportunity to indicate in writing the type of body part that the insured approves for use in the repair of the motor vehicle.

~~(d)~~ **(e)** This section applies only in the five (5) years after the model year of the motor vehicle.

SECTION 2. IC 27-4-1.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. An insurer that:

(1) is required to give a written notice to an insured under section

8 of this chapter concerning the repair of a motor vehicle;

(2) does not give the insured a written notice that meets the requirements set forth in section ~~8(b)~~ **8(c)** of this chapter; and

(3) directs a body shop to repair the motor vehicle;

commits an unfair claim settlement practice under IC 27-4-1-4.5.

SECTION 3. IC 27-4-1.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. An insurer that:

(1) is subject to the requirement set forth in section ~~8(c)~~ **8(d)** of this chapter with respect to the repair of a motor vehicle;

(2) does not satisfy this requirement; and

(3) directs a body shop to repair the motor vehicle;

commits an unfair claims settlement practice under IC 27-4-1-4.5.

SECTION 4. IC 27-4-1.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. An insurer that:

(1) under section ~~8(c)~~ **8(d)** of this chapter gives an insured an opportunity to indicate in writing the type of body part that the insured approves for use in the repair of the motor vehicle; and

(2) directs a body shop to repair the motor vehicle using a type of body part different from the type of body part that the insured approved for use in the repair of the motor vehicle;

commits an unfair claim settlement practice under IC 27-4-1-4.5.

SECTION 5. IC 27-4-1.5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. An insurer that:

(1) under section ~~8(c)~~ **8(d)** of this chapter gives an insured an opportunity to indicate in writing the type of body parts that the insured approves for use in the repair of a motor vehicle; and

C
o
p
y



- 1 (2) refuses to:
2 (A) pay for; or
3 (B) direct a body shop to use;
4 the type of body parts approved by the insured under section ~~8(c)~~
5 **8(d)** of this chapter in the repair of the motor vehicle;
6 commits an unfair claims settlement practice under IC 27-4-1-4.5.

C
o
p
y

